STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORI				
APPLI	1. WELL NAME and NUMBER CWU 4034-34									
2. TYPE OF WORK DRILL NEW WELL (3. FIELD OR WILDCAT NATURAL BUTTES				
4. TYPE OF WELL Gas We						5. UNIT or COMMUNITIZATION AGREEMENT NAME CHAPITA WELLS				
6. NAME OF OPERATOR	EOG Resou	rces, Inc.			7. OPERATOR PHO					
8. ADDRESS OF OPERATOR	East Highway 40), Vernal, UT, 84078			9. OPERATOR E-MA	IL gardner@eogresource	es.com			
10. MINERAL LEASE NUMBER	, , , , , , , , , , , , , , , , , , ,	11. MINERAL OWNER			12. SURFACE OWN	ERSHIP				
(FEDERAL, INDIAN, OR STATE) UTU37943		FEDERAL (INDI	IAN 🗍 STATE 🕻) FEE(ii)		DIAN (STATE (~ ~			
13. NAME OF SURFACE OWNER (if box 12	= 'fee')				14. SURFACE OWN	ER PHONE (if box 1	2 = 'fee')			
15. ADDRESS OF SURFACE OWNER (if box	12 = 'fee')				16. SURFACE OWN	ER E-MAIL (if box 1	.2 = 'fee')			
17. INDIAN ALLOTTEE OR TRIBE NAME		18. INTEND TO COM	MINGLE PRODUCTION FROM 19. SLANT							
(if box 12 = 'INDIAN')			ommingling Applicati	on) NO 📵	VERTICAL DIRECTIONAL HORIZONTAL					
20. LOCATION OF WELL	FO	OTAGES QTR-QTR SECTION		SECTION	TOWNSHIP	RANGE	MERIDIAN			
LOCATION AT SURFACE	1769 FS	SL 2001 FWL	NESW	34	9.0 S	23.0 E	S			
Top of Uppermost Producing Zone	1769 FSL 2001 FWL		NESW	34	9.0 S	23.0 E	S			
At Total Depth	1769 FS	SL 2001 FWL	NESW	34	9.0 S	23.0 E	S			
21. COUNTY UINTAH		22. DISTANCE TO NE	815	E (Feet)	23. NUMBER OF ACRES IN DRILLING UNIT 600					
		25. DISTANCE TO NE (Applied For Drilling		AME POOL	26. PROPOSED DEPTH MD: 6340 TVD: 6340					
27. ELEVATION - GROUND LEVEL 5286		28. BOND NUMBER	NM2308		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-225					
		АТ	TACHMENTS							
VERIFY THE FOLLOWING	ARE ATTACH	ED IN ACCORCANC	CE WITH THE UT	AH OIL AND	GAS CONSERVATI	ON GENERAL RU	LES			
WELL PLAT OR MAP PREPARED BY	LICENSED SUR	VEYOR OR ENGINEER	сом	COMPLETE DRILLING PLAN						
AFFIDAVIT OF STATUS OF SURFACE	OWNER AGRE	EMENT (IF FEE SURFA	ACE) FORM	FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER						
DIRECTIONAL SURVEY PLAN (IF DI	RECTIONALLY	OR HORIZONTALLY	№ торо	TOPOGRAPHICAL MAP						
NAME Mary Maestas	TITL	E Regulatory Assistant		PHONE 303 8	24-5526					
SIGNATURE	DATI	E 05/28/2009		EMAIL mary_	maestas@eogresource	s.com				
API NUMBER ASSIGNED 43047504450000	АРРІ	ROVAL		bol	egill					
				Perm	it Manager					

API Well No: 43047504450000 Received: 5/28/2009

	Proposed Hole, Casing, and Cement							
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)				
Surf	12.25	9.625	0	2300				
Pipe	Grade	Length	Weight					
	Grade J-55 ST&C	2300	36.0			Г		

API Well No: 43047504450000 Received: 5/28/2009

	Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)			
Prod	7.875	4.5	0	6340			
Pipe	Grade	Length	Weight				
	Grade N-80 LT&C	6340	11.6				

CHAPITA WELLS UNIT 4034-34

NE/SW, SEC. 34, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,412		Shale	
Birdsnest Zone	1,525		Dolomite	
Mahogany Oil Shale Bed	2,006		Shale	
Wasatch	4,208	Primary	Sandstone	Gas
Chapita Wells	4,769	Primary	Sandstone	Gas
Buck Canyon	5,433	Primary	Sandstone	Gas
North Horn	5,916	Primary	Sandstone	Gas
KMV Price River	6,136		Sandstone	
_				
TD	6,340			

Estimated TD: 6,340' or 200'± below TD Anticipated BHP: 3,462 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft \pm of the Green River Formation, with top at about 2,000 ft \pm .

2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole - 5000 Psig

BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	<u>Length</u>	<u>Size</u>	WEIGHT	<u>Grade</u>	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	20"	40 – 60'	14"	32.5#	A252			1880 PSI	10,000
Surface	12 ¼"	0' - 2,300' KB±	9-5/8"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface - TD	4-1/2"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

Note: 12-1/4" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

CHAPITA WELLS UNIT 4034-34

NE/SW, SEC. 34, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'±-TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

CHAPITA WELLS UNIT 4034-34 NE/SW, SEC. 34, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 1
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- o EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- o EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- o EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:

CBL/CCL/VDL/GR

CHAPITA WELLS UNIT 4034-34

NE/SW, SEC. 34, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: 185 sks Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx

GR3 ½ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: 207 sks Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps

water.

Top Out: As necessary with Class "G" cement with 2% CaCl₂, ½#/sk Flocele mixed at 15.6 ppg,

1.18 ft³/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to

500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: 104 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44

(Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes)

mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 457 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075%

D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1

ppg, 1.28 ft³/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.

Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe. Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

CHAPITA WELLS UNIT 4034-34 NE/SW, SEC. 34, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

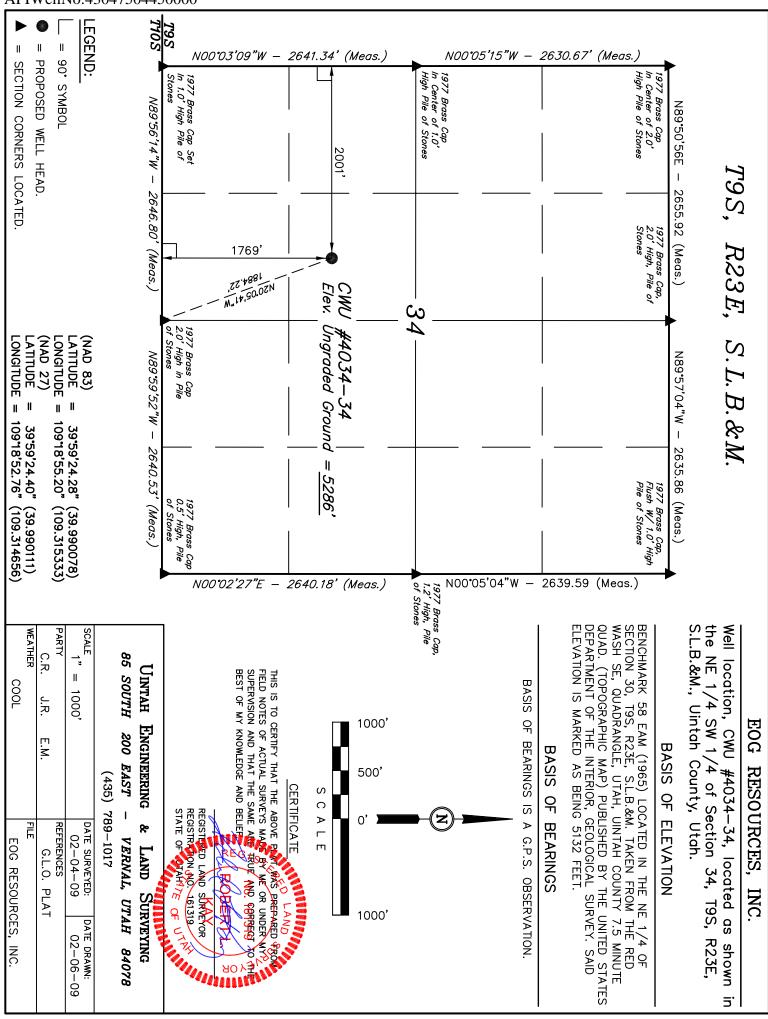
12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

- 1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
- 4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
- 5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
- 6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)



EOG RESOURECES, INC.

CWU #4034-34

LOCATED IN UINTAH COUNTY, UTAH SECTION 34, T9S, R23E, S.L.B.&M.

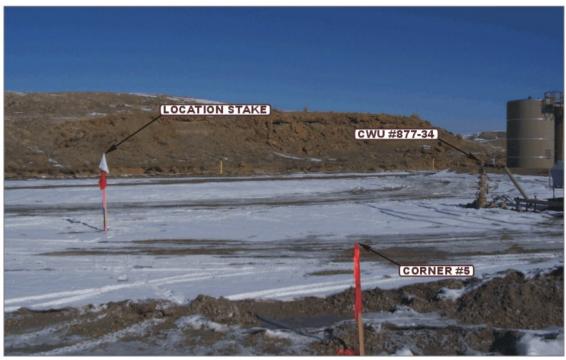


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



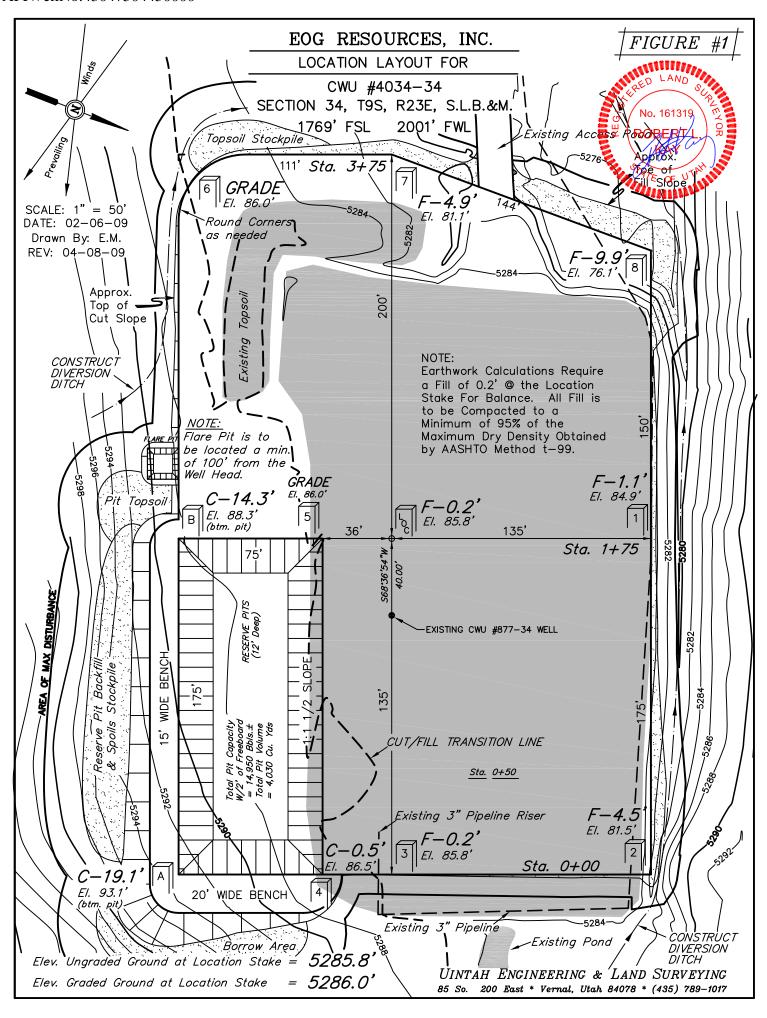
PHOTO: VIEW OF EXISTING ACCESS

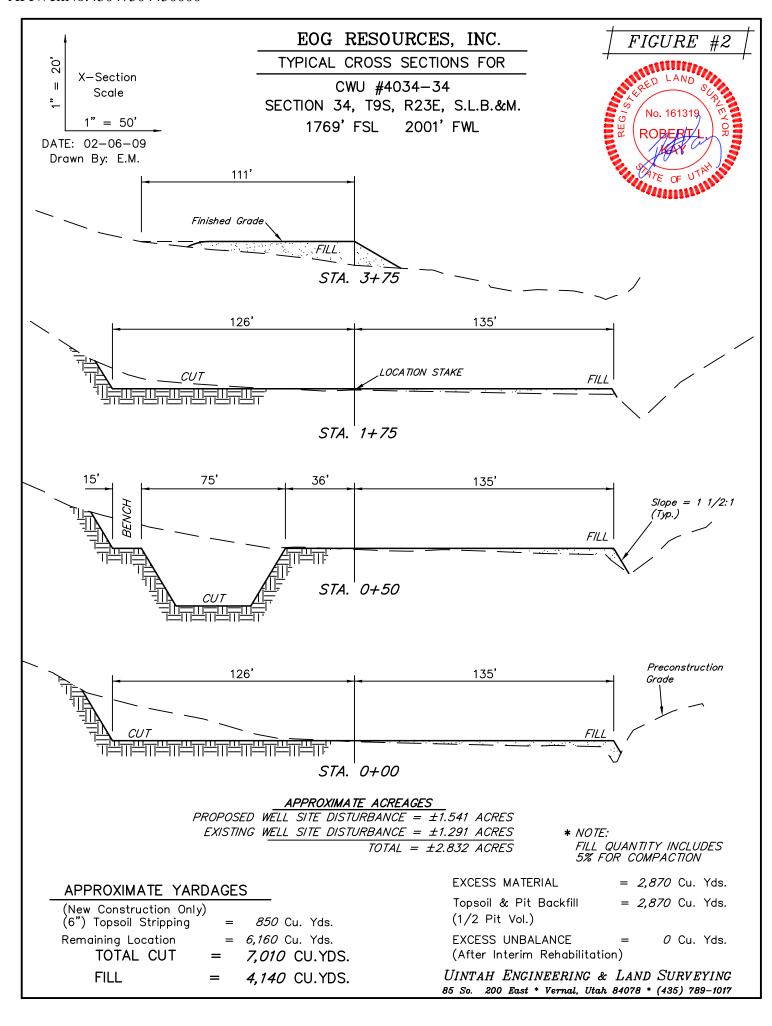
CAMERA ANGLE: NORTHEASTERLY

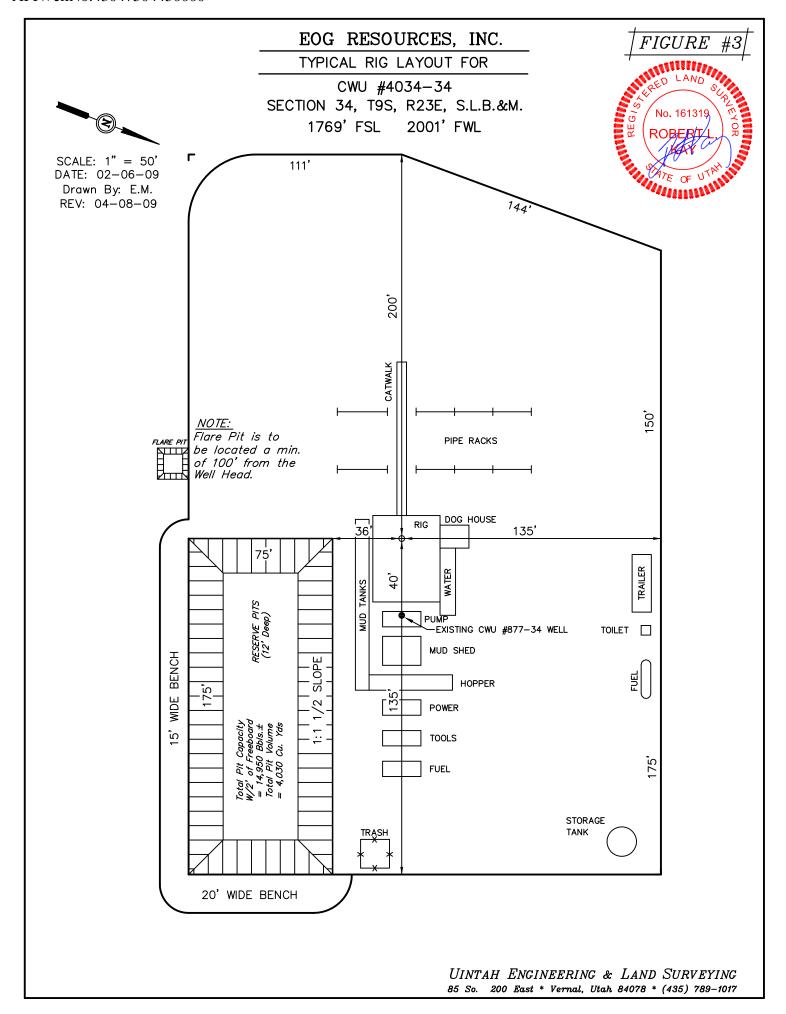


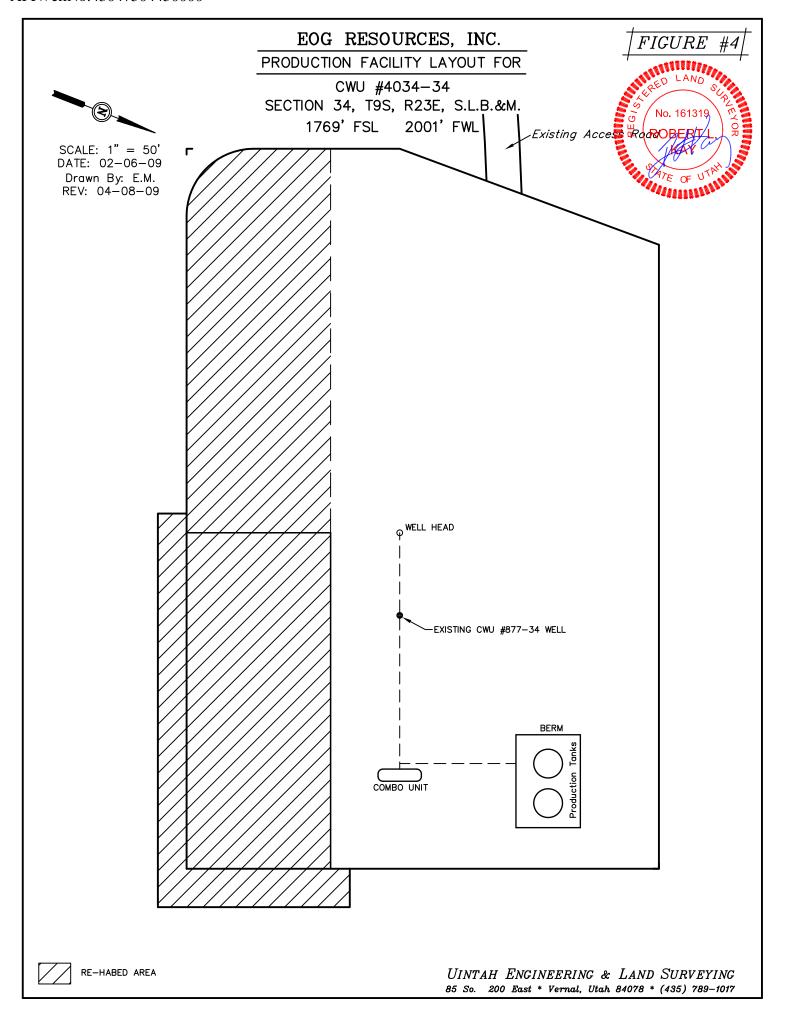
LOCATION PHOTOS

O2
11
O9
YEAR
TAKEN BY: C.R. DRAWN BY: Z.L. REVISED: 00-00-00





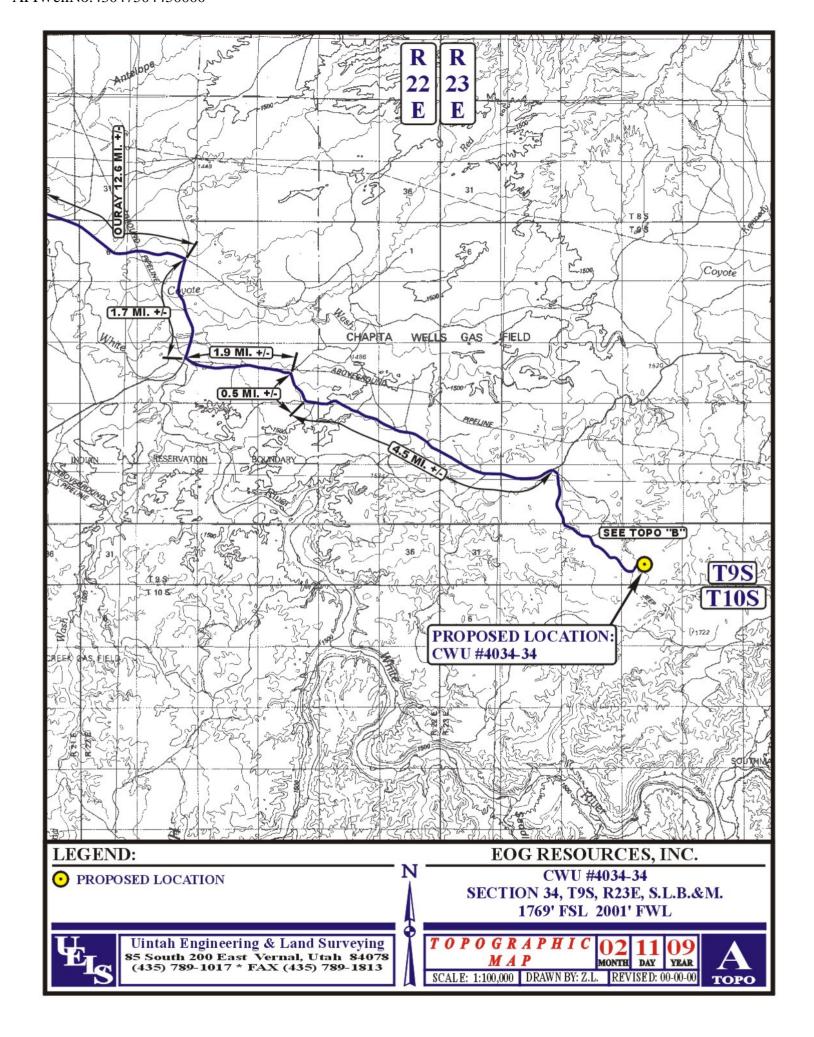


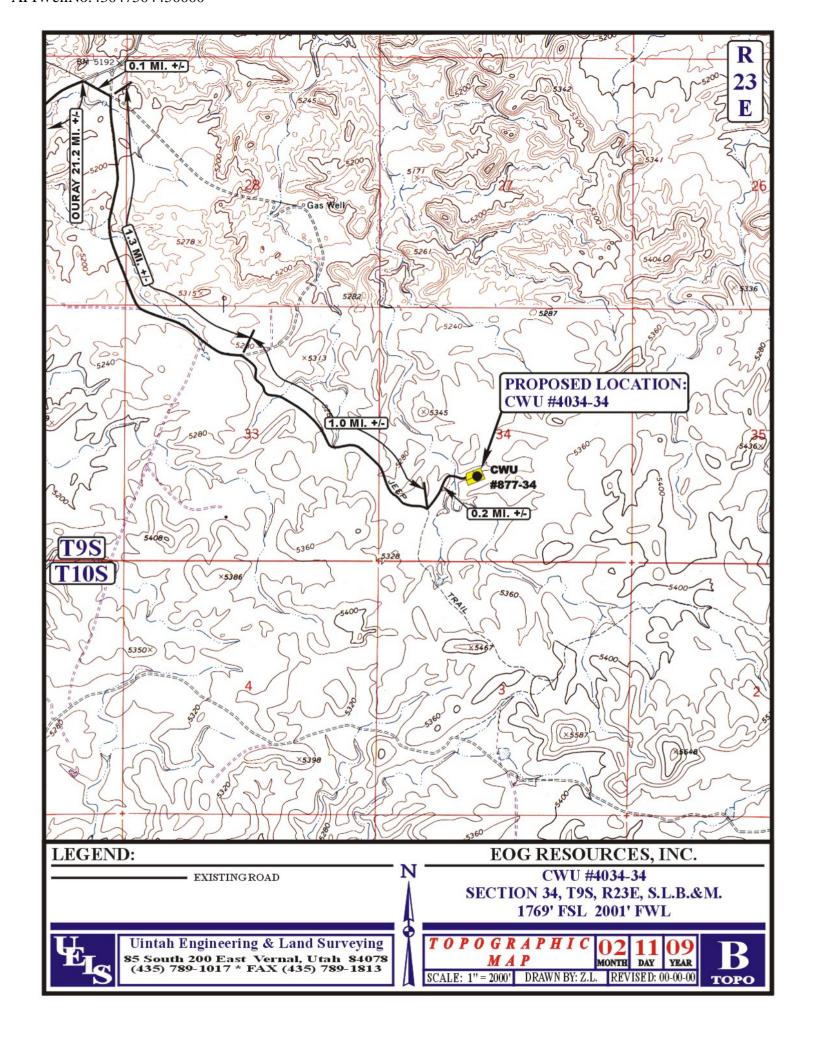


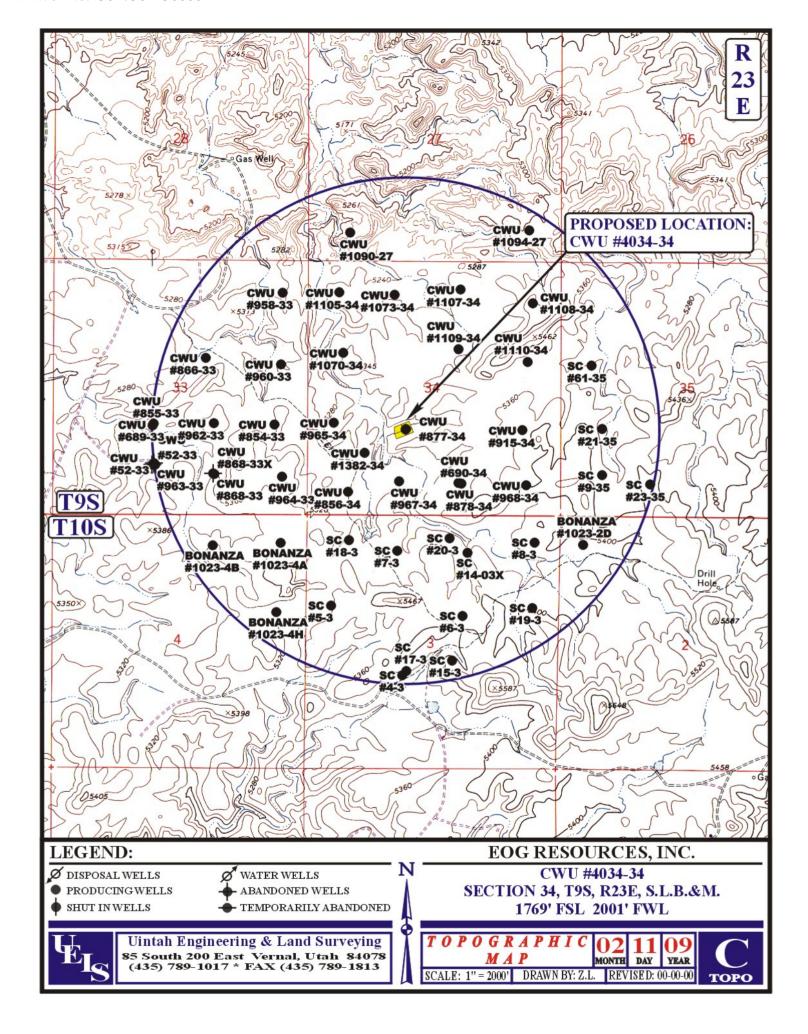
EOG RESOURCES, INC. CWU #4034-34 SECTION 34, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88: EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST: TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST: TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 4.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST: TURN LEFT AND PROCEED IN A NORTHEASTERLY. THEN EASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.8 MILES.









Chapita Wells Unit 4034-34 NESW, Section 34, T9S, R23E Uintah County, Utah

SURFACE USE PLAN

The well pad is approximately 375 feet long with a 246-foot width, containing 2.12 acres more or less. New surface disturbance associated with the well pad is estimated to be 2.12 acres.

1. EXISTING ROADS:

- A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 54.8 miles south of Vernal, Utah See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The existing access road for the Chapita Wells Unit 877-34 will be used to access the proposed location. No new road will be required.
- B. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

All travel will be confined to existing access road rights-of-way.

Traveling off the 30-foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

- 1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400-bbl or one (1) 300-bbl vertical tanks and associated pipe.
- 2. Gas gathering lines A 4" gathering line will be buried from the dehy unit to the edge of the location.

B. Off Well Pad

1. No new off-pad pipeline will be required. The existing pipeline for the Chapita Wells Unit 877-34 will be used to transport gas from the proposed location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. All facilities will be painted with Carlsbad Canyon or Covert Green. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water supply will be Bonanza Power Plant water source in Sec 26, T8S, R23E, Uintah County, UT (State Water Right # 49-225(A31368)).
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. Source of Construction Materials:

- A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD CWU 2-29 SWD, Red Wash Evaporation Ponds 1, 2, 3, 4, 5, 6, or 7, or Coyote Evaporation Ponds 1, 2, 3, or 4, or White River Evaporation Ponds 1, or 2, or Hoss SWD Facility, right-of-way UTU 86010, UTU 897093 or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
- 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit, through natural or artificial methods, or removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt, and a 16-millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) will be used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer (A.O.)

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well.

Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the east corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

The stockpiled pit topsoil (first six inches) will be stored separate from the location topsoil south of corner B. The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protection of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the west.

Diversion ditches shall be constructed on the south and northeast sides of the location.

The corners of the well pad will be rounded off as needed to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Interim Reclamation (Producing Location)

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be reseeded during interim reclamation. The reserve pit will be reclaimed within 6 months from the date of the well completion, or as soon as weather allows. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
HyCrest Wheatgrass	5.0
Shadscale	4.0
Prostrate Kochia	3.0

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:
 - Whether the materials appear eligible for the National Register of Historic Places;
 - The mitigation measures the operator will likely have to undertake before the site can be used.
 - A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural

guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.
- D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A block cultural resources survey for Sec. 34, T9S, R23E was conducted and submitted by Montgomery Archaeological Consultants on 6/20/2007. A paleontological survey was conducted and will be submitted by Intermountain Paleo.

Additional Surface Stipulations:

None.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Mary A. Maestas EOG Resources, Inc. 1060 East Highway 40 Vernal, UT 84078 (435) 781-9111

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

CERTIFICATION:

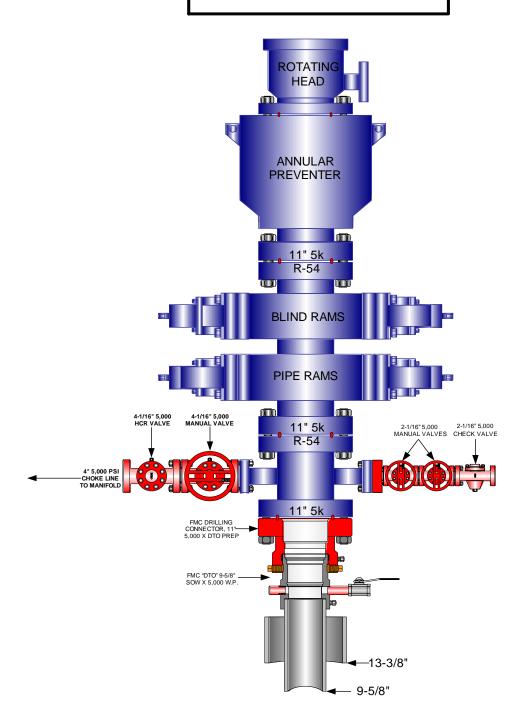
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 4034-34 Well, located in the NESW, of Section 34, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

May 28, 2009	
Date	Mary A. Maestas, Regulatory Assistant

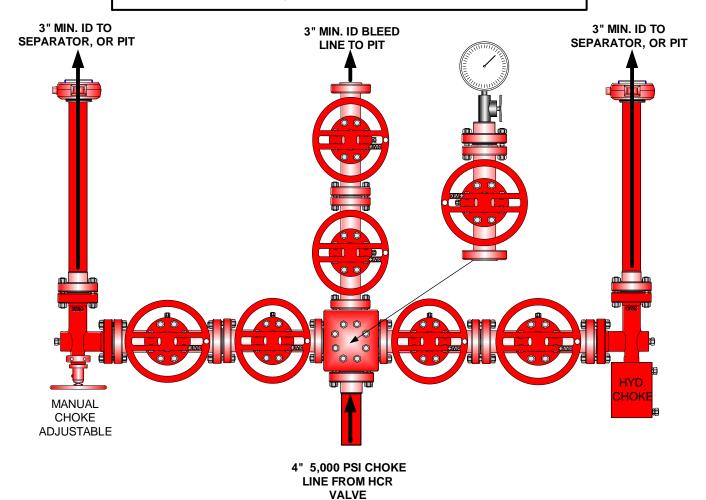
EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION

PAGE 1 OF 2



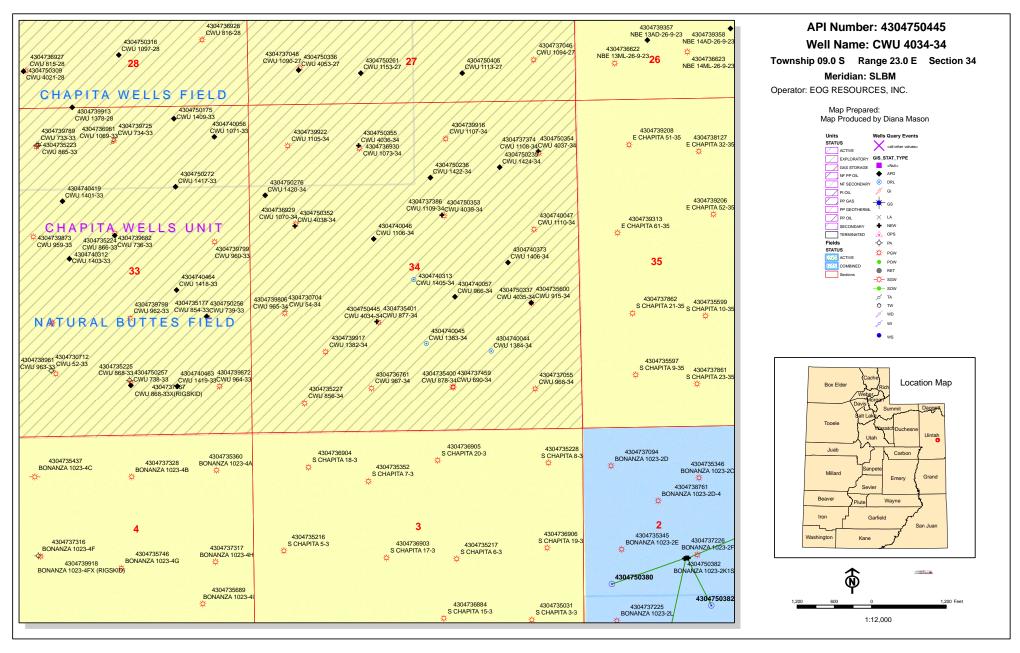
EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES

PAGE 2 0F 2



Testing Procedure:

- 1. BOP will be tested with a professional tester to conform to Onshore Order #2.
- 2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
- 3. Annular Preventer will be tested to 50% working pressure, 2,500 psi. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
- 4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
- 5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

June 1, 2009

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Chapita Wells Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2009 within the Chapita Wells Unit, Uintah County, Utah.

API# WELL NAME LOCATION

(Proposed PZ Wasatch)

43-047-50445 CWU 4034-34 Sec 34 T09S R23E 1769 FSL 2001 FWL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron

MCoulthard:mc:6-1-09

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED:	5/28/2009	API NO. ASSIGNED: 43047504450000
WELL NAME:	CWU 4034-34	
	EOG Resources, Inc	. (N9550) PHONE NUMBER: 303 824-5526
CONTACT:	Mary Maestas	
PROPOSED LOCATION:	NESW 34 090S 230I	Permit Tech Review: 🗾
SURFACE:	1769 FSL 2001 FWL	Engineering Review:
воттом:	1769 FSL 2001 FWL	Geology Review:
COUNTY:	UINTAH	
LATITUDE:	39.99013	LONGITUDE: -109.31462
UTM SURF EASTINGS:	643892.00	NORTHINGS: 4427812.00
FIELD NAME:	NATURAL BUTTES	
LEASE TYPE:	1 - Federal	
LEASE NUMBER:	UTU37943	PROPOSED PRODUCING FORMATION(S): WASATCH-NORTH HORN
SURFACE OWNER:	1 - Federal	COALBED METHANE: NO
RECEIVED AND/OR REVIE	WED:	LOCATION AND SITING:
 PLAT		R649-2-3.
▶ Bond: FEDERAL - NM23	308	Unit: CHAPITA WELLS
Potash		R649-3-2. General
Oil Shale 190-5		
Oil Shale 190-3		R649-3-3. Exception
Oil Shale 190-13		✓ Drilling Unit
✓ Water Permit: 49-225		Board Cause No: Cause 179-8
RDCC Review:		Effective Date: 8/10/1999
Fee Surface Agreeme	nt	Siting: Suspends General Siting
Intent to Commingle		R649-3-11. Directional Drill
Commingling Approved	I	
Comments: Presite Co	ompleted	
Stipulations: 4 - Feder	ral Approval - dmaso	n

API Well No: 43047504450000



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: CWU 4034-34 API Well Number: 43047504450000

Lease Number: UTU37943 **Surface Owner:** FEDERAL **Approval Date:** 6/9/2009

Issued to:

EOG Resources, Inc., 1060 East Highway 40, Vernal, UT 84078

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-8. The expected producing formation or pool is the WASATCH-NORTH HORN Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Notification Requirements:

Notify the Division with 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

Reporting Requirements:

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7),

API Well No: 43047504450000

Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Approved By:

For Gil Hunt

Associate Director, Oil & Gas

					FORM 9
	STATE OF UTAH				TORMS
	DIVISION OF OIL, GAS, AND M			5.LEAS	E DESIGNATION AND SERIAL NUMBER: 7943
SUND	RY NOTICES AND REPORTS	S ON	WELLS	6. IF II	NDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.					Or CA AGREEMENT NAME: TA WELLS
1. TYPE OF WELL Gas Well		L NAME and NUMBER: 4034-34			
2. NAME OF OPERATOR: EOG Resources, Inc.		NUMBER: '504450000			
3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Verna	al, UT, 84078 435 781-9		IONE NUMBER:		D and POOL or WILDCAT : RAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1769 FSL 2001 FWL				COUNT	
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NESW Section: 34	IP, RANGE, MERIDIAN: Township: 09.0S Range: 23.0E Meridian	n: S		STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDICA	ATE NA	TURE OF NOTICE, REPOR	Γ, OR OT	HER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
	ACIDIZE	☐ AL	LTER CASING		CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	□ сн	HANGE TUBING		CHANGE WELL NAME
5/26/2010	☐ CHANGE WELL STATUS	□ cc	OMMINGLE PRODUCING FORMATIONS	s 🗆	CONVERT WELL TYPE
	DEEPEN	□ FR	RACTURE TREAT		NEW CONSTRUCTION
SUBSEQUENT REPORT Date of Work Completion:	OPERATOR CHANGE		UG AND ABANDON		PLUG BACK
	PRODUCTION START OR RESUME	_	ECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION
SPUD REPORT					
Date of Spud:	REPERFORATE CURRENT FORMATION	_	DETRACK TO REPAIR WELL		TEMPORARY ABANDON
	☐ TUBING REPAIR	□ VE	ENT OR FLARE		WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI	TA STATUS EXTENSION	✓	APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	□ 01	THER	отн	ER:
	pmpleted operations. Clearly show all portions are specifically requests the API extended for one year	D for t	the referenced well b	e •	Approved by the Utah Division of I, Gas and Mining May 26, 2010
NAME (PLEASE PRINT) Michelle Robles	PHONE NUMBE		TITLE Regulatory Assistant		
	307 276-4842				
SIGNATURE N/A			DATE 5/26/2010		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047504450000

API: 43047504450000 Well Name: CWU 4034-34

Location: 1769 FSL 2001 FWL QTR NESW SEC 34 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 6/9/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that requ

informat uire revis	tion as submitted in the sion. Following is a chec	previously clist of so	approved application me items related to th	to drill, re e application	mains valid and does not on, which should be verified.	
	nted on private land, has ed? 问 Yes 📵 No	the owne	rship changed, if so, h	as the surf	ace agreement been	
	any wells been drilled in requirements for this lo			ll which wo	ould affect the spacing or	
	nere been any unit or oth proposed well? () Ye		nents put in place that	could affe	ct the permitting or operatio	•
	there been any changes the proposed location?			vnership, o	r rightof- way, which could	
• Has th	ne approved source of wa	ater for dr	illing changed? 📵 Y	'es 📵 No		
	there been any physical e e in plans from what wa				oute which will require a Yes 📵 No	
• Is bor	nding still in place, which	covers th	nis proposed well? 🌘	Yes 📗	Approved by the No Utah Division of Oil, Gas and Mining	
nature:	Michelle Robles	Date:	5/26/2010			
Title:	Regulatory Assistant Repr	esenting:	EOG RESOURCES, INC.	Da	ite: May 26, 2010	_
	-	_		D,	. Lossill	

Sig

			FORM 9
	STATE OF UTAH		TORM 5
	DEPARTMENT OF NATURAL RESOURC DIVISION OF OIL, GAS, AND MII		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU37943
SUND	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposition-hole depth, reenter plu DRILL form for such proposals.	sals to drill new wells, significantly deepen igged wells, or to drill horizontal laterals. U	existing wells below current Jse APPLICATION FOR PERMIT TO	7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: CWU 4034-34
2. NAME OF OPERATOR: EOG Resources, Inc.			9. API NUMBER: 43047504450000
3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Verna	al, UT, 84078 435 781-91	PHONE NUMBER: 111 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1769 FSL 2001 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NESW Section: 34	IP, RANGE, MERIDIAN: Township: 09.0S Range: 23.0E Meridian:	S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME
5/26/2010	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION
SUBSEQUENT REPORT Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT			
Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
_	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	OTHER	OTHER:
	respectfully requests the APD extended for one year.	for the referenced well be	
NAME (PLEASE PRINT) Michelle Robles	PHONE NUMBER	TITLE Regulatory Assistant	
	307 276-4842		
SIGNATURE N/A		DATE 5/26/2010	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047504450000

API: 43047504450000 Well Name: CWU 4034-34

Location: 1769 FSL 2001 FWL QTR NESW SEC 34 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 6/9/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that requ

informat uire revis	tion as submitted in the sion. Following is a chec	previously clist of so	approved application me items related to th	to drill, re e application	mains valid and does not on, which should be verified.	
	nted on private land, has ed? 问 Yes 📵 No	the owne	rship changed, if so, h	as the surf	ace agreement been	
	any wells been drilled in requirements for this lo			ll which wo	ould affect the spacing or	
	nere been any unit or oth proposed well? () Ye		nents put in place that	could affe	ct the permitting or operatio	
	there been any changes the proposed location?			vnership, o	r rightof- way, which could	
• Has th	ne approved source of wa	ater for dr	illing changed? 📵 Y	'es 📵 No		
	there been any physical e e in plans from what wa				oute which will require a Yes 📵 No	
• Is bor	nding still in place, which	covers th	nis proposed well? 🌘	Yes 📗	Approved by the No Utah Division of Oil, Gas and Mining	
nature:	Michelle Robles	Date:	5/26/2010			
Title:	Regulatory Assistant Repr	esenting:	EOG RESOURCES, INC.	Da	ite: May 26, 2010	_
	-	_		D,	. Lossill	

Sig

Sundry Number: 15252 API Well Number: 43047504450000

	STATE OF UTAH				FORM 9
	DIVISION OF OIL, GAS, AND MI		3	5.LEAS	E DESIGNATION AND SERIAL NUMBER: 7943
SUNDF	RY NOTICES AND REPORTS	S ON	WELLS	6. IF I	NDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepe igged wells, or to drill horizontal laterals.				or CA AGREEMENT NAME: TA WELLS
1. TYPE OF WELL Gas Well					L NAME and NUMBER: 4034-34
2. NAME OF OPERATOR: EOG Resources, Inc.					NUMBER: '504450000
3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Verna			UMBER: xt		D and POOL or WILDCAT: RAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1769 FSL 2001 FWL				COUNT	
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NESW Section: 34	IP, RANGE, MERIDIAN: Township: 09.0S Range: 23.0E Meridian	: S		STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDICA	ATE N	ATURE OF NOTICE, REPORT,	OR OT	HER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
	☐ ACIDIZE		ALTER CASING		CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS		CHANGE TUBING		CHANGE WELL NAME
5/24/2011	☐ CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS		CONVERT WELL TYPE
SUBSEQUENT REPORT	DEEPEN		FRACTURE TREAT		NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE		PLUG AND ABANDON		PLUG BACK
	☐ PRODUCTION START OR RESUME		RECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION		SIDETRACK TO REPAIR WELL		TEMPORARY ABANDON
	☐ TUBING REPAIR		VENT OR FLARE		WATER DISPOSAL
DRILLING REPORT	□ WATER SHUTOFF	□ :	SI TA STATUS EXTENSION	1	APD EXTENSION
Report Date:	□ WILDCAT WELL DETERMINATION		OTHER	отн	ED.
			-		<u></u>
	respectfully requests the AP extended for one year	D for		e •	Approved by the Jtah Division of
				Oi	l, Gas and Mining
					05/24/2011
				ate:_	20,001/10
			E	3: <u>7</u>	roll fill
					79
NAME (PLEASE PRINT)	PHONE NUMBER	2	TITLE		
Michelle Robles	307 276-4842	-	Regulatory Assistant		
SIGNATURE N/A			DATE 5/24/2011		

Sundry Number: 15252 API Well Number: 43047504450000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Title: Regulatory Assistant **Representing:** EOG RESOURCES, INC.

Request for Permit Extension Validation Well Number 43047504450000

API: 43047504450000 **Well Name:** CWU 4034-34

Location: 1769 FSL 2001 FWL QTR NESW SEC 34 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 6/9/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

	ated on private land, h ed? 📗 Yes 連 No	nas the ownership changed, if so	o, has the su	rface agree	ment been
		l in the vicinity of the proposed vicinity of the proposed vicinity of the proposed vicinity of the proposed v	well which w	ould affect	the spacing or
	here been any unit or sproposed well?	other agreements put in place the Yes No	hat could aff	ect the per	mitting or operation
	there been any chang the proposed location	es to the access route including n? Yes No	ownership,	or rightof-	way, which could
• Has t	he approved source of	water for drilling changed?	Yes 📵 N	lo	
		cal changes to the surface location was discussed at the onsite eva			h will require a No
• Is bo	nding still in place, wh	nich covers this proposed well?	Yes	No	
Signature:	Michelle Robles	Date: 5/24/2011			

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

AUG 0

MECEIVE

FORM APPROVED

2010

3 2011	Expires: July 31, 2
	5. Lease Serial No. UTU37943

SUNDRY NOTICES AND REPORTS ON WELLS	
Do not use this form for proposals to drill or to re-enter an phandoned well. Use form 3160-3 (ABD) for such proposals	A A
phandonod wall lies form 2160 2 (APD) for such proposals	28/6

6. If Indian, Allottee or Tribe Name doned well. Use form 3160-3 (APD) for such proposals 🛶 🛭 🦞 🛭 If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. UTU63013X 1. Type of Well 8. Well Name and No. CWU 4034-34 Oil Well Gas Well Other 2. Name of Operator EOG RESOURCES INC MICKENZIE GATES API Well No. Contact: E-Mail: MICKENZIE_gates@EOGRESOURCES.COM 43-047-50445-00-X1 10. Field and Pool, or Exploratory NATURAL BUTTES 3a. Address 3b. Phone No. (include area code) 1060 EAST HIGHWAY 40 Ph: 453.781.9145 VERNAL, UT 84078 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, and State Sec 34 T9S R23E NESW 1769FSL 2001FWL UINTAH COUNTY, UT 39.990078 N Lat, 109.315333 W Lon 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Acidize □ Deepen ☐ Water Shut-Off Production (Start/Resume) Notice of Intent ☐ Alter Casing ☐ Fracture Treat ☐ Well Integrity □ Reclamation ☐ Subsequent Report Other Change to Original Casing Repair ■ New Construction Recomplete Final Abandonment Notice Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon Convert to Injection Plug Back → Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for two years. **VERNAL FIELD OFFICE** RECEIVED GEO OCT 2 1 2011 CONDITIONS OF APPROVAL ATTACHED E.S DIV. OF OIL, GAS & MINING PET. RECL 14. I hereby certify that the foregoing is true and correct Electronic Submission #114424 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 08/09/2011 (11RRH3630SE) Name (Printed/Typed) MICKENZIE GATES Title OPERATIONS CLERK (Electronic Submission) Signature 08/03/2011 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Assistant Field Manager SEP 2.8 2011 Approved By Title Lands & Mineral Resources Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the approval holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. **VERNAL FIELD OFFICE** Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

CONDITIONS OF APPROVAL

EOG RESOURCES INC

Notice of Intent APD Extension

Lease:

UTU-37943

Well:

CWU 4034-34

Location:

NESW Sec 34-T9S-R23E

An extension for the referenced APD is granted only to 03/31/2013 and not to 8/14/2013 as requested with the following conditions:

- 1. The extension and APD shall expire on 3-31-2013.
- 2. No other extension shall be granted.

The well specific NEPA was a Categorical Exclusion reference Section 390 of the Energy Policy Act of 2005 with a five year spud date condition based upon the signature date of the EIS which was on 03/31/2008.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777

Sundry Number: 26376 API Well Number: 43047504450000

	STATE OF UTAH			FORM 9
[DEPARTMENT OF NATURAL RESOUI DIVISION OF OIL, GAS, AND M			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU37943
SUNDR	Y NOTICES AND REPORTS	S ON W	/ELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	posals to drill new wells, significantl reenter plugged wells, or to drill horiz n for such proposals.			7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS
1. TYPE OF WELL Gas Well				8. WELL NAME and NUMBER: CWU 4034-34
2. NAME OF OPERATOR: EOG Resources, Inc.				9. API NUMBER: 43047504450000
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000	N , Denver, CO, 80202		NUMBER: 781-9111 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1769 FSL 2001 FWL				COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSH Qtr/Qtr: NESW Section: 3	HIP, RANGE, MERIDIAN: 34 Township: 09.0S Range: 23.0E Me	eridian: S		STATE: UTAH
11. CHECI	K APPROPRIATE BOXES TO INDIC	CATE NAT	URE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION			TYPE OF ACTION	
	ACIDIZE	☐ ALTE	ER CASING	CASING REPAIR
Approximate date work will start:	CHANGE TO PREVIOUS PLANS	СНА	NGE TUBING	CHANGE WELL NAME
6/1/2012	CHANGE WELL STATUS	Сом	IMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT	DEEPEN	FRAG	CTURE TREAT	NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG	G AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	REC	LAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDE	TRACK TO REPAIR WELL	TEMPORARY ABANDON
	TUBING REPAIR	VEN	T OR FLARE	WATER DISPOSAL
DRILLING REPORT	WATER SHUTOFF	☐ SI TA	A STATUS EXTENSION	✓ APD EXTENSION
Report Date:	WILDCAT WELL DETERMINATION	ОТН	ED	OTHER:
44 DESCRIPE PROPOSED OR				
	COMPLETED OPERATIONS. Clearly shounce. respectfully requests the well be extended for one	e APD f		Approved by the Utah Division of Oil, Gas and Mining
				Date: June 05, 2012
				By:
NAME (PLEASE PRINT)	PHONE NUM	MBER T	ITLE	
Mickenzie Gates	435 781-9145		Operations Clerk	
SIGNATURE N/A			ATE 6/4/2012	

Sundry Number: 26376 API Well Number: 43047504450000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047504450000

API: 43047504450000 Well Name: CWU 4034-34

Location: 1769 FSL 2001 FWL QTR NESW SEC 34 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

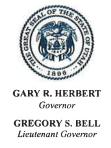
Date Original Permit Issued: 6/9/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
• Has there been any unit or other agreements put in place that could affect the permitting or operation of thi proposed well? Yes No
• Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? (Yes (No
• Has the approved source of water for drilling changed? Yes No
• Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No
nature: Mickenzie Gates Date: 6/4/2012

Sig

Title: Operations Clerk Representing: EOG RESOURCES, INC.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 8, 2013

EOG Resources, Inc. 600 17th Street, Suite 1000 N. Denver, CO 80202

Re: APDs Rescinded for EOG Resources, Inc., Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that are being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective August 8, 2013.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

in Silasn

cc: \

Well File

Bureau of Land Management, Vernal



43-047-50352	CWU 4038-34
43-047-50353	CWU 4039-34
43-047-50354	CWU 4037-34
43-047-50355	CWU 4036-34
43-047-50445	CWU 4034-34
43-047-50456	CWU 783-24
43-047-50955	CWU 1515-24D
43-047-50956	CWU 1516-24D
43-047-50957	CWU 1517-24D
43-047-50958	CWU 1518-24D
43-047-50959	CWU 1519-24D
43-047-50961	CWU 1521-24D
43-047-50962	CWU 1522-24D
43-047-50963	CWU 1523-24D

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MAY 2 8 2009

UTU37943

APPLICATION FOR PERMIT	TO DRILL OR REENTER BLM	6. If Indian, Allottee or Tribe Name
Ia. Type of Work: ☑ DRILL ☐ REENTER		7. If Unit or CA Agreement, Name and No. UTU63013X
1b. Type of Well: ☐ Oil Well Gas Well ☐ Oth	ner Single Zone	8. Lease Name and Well No. CWU 4034-34
	MARY A. MAESTAS aestas@eogresources.com	9. API Well No. 43 047 50445
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 303-824-5526	10. Field and Pool, or Exploratory NATURAL BUTTES
4. Location of Well (Report location clearly and in accorded	ince with any State requirements.*)	11. Sec., T., R., M., or Blk. and Survey or Area
At surface NESW 1769FSL 2001FWL At proposed prod. zone NESW 1769FSL 2001FWL	39.99008 N Lat, 109.31533 W Lon 39.99008 N Lat, 109.31533 W Lon	Sec 34 T9S R23E Mer SLB SME: BLM
14. Distance in miles and direction from nearest town or post 54.8 MILES SOUTH OF VERNAL, UT	office*	12. County or Parish 13. State UINTAH UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of Acres in Lease	17. Spacing Unit dedicated to this well
815'	600.00	
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth	20. BLM/BIA Bond No. on file
5230'	6340 MD	NM2308
21. Elevations (Show whether DF, KB, RT, GL, etc. 5286 GL	22. Approximate date work will start	23. Estimated duration 45 DAYS
	24. Attachments	
The following, completed in accordance with the requirements of	of Onshore Oil and Gas Order No. 1, shall be attached to	this form:
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Of 	Item 20 above). 5. Operator certification	ons unless covered by an existing bond on file (see formation and/or plans as may be required by the
25. Signature (Electronic Submission)	Name (Printed/Typed) MARY A. MAESTAS Ph: 303-824-5526	Date 05/28/2009
Title REGULATORY ASSISTANT		
Approved by (Signature)	Name (Printed/Typed)	AUG ^{ato} 1 4 200
Su Genel	Name (Printed/Typed) Texas Kenella Office	AUG 4 200
Assistant Field Manager Lands & Mineral Resources	VERNAL FIELD OFFI	
Application approval does not warrant or certify the applicant hoperations thereon. Conditions of approval, if any, are attached. CONDITION	TIONS OF APPROVAL ATTACHED	lease which would entitle the applicant to conduct
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, States any false, fictitious or fraudulent statements or representations.	make it a crime for any person knowingly and willfully tions as to any matter within its jurisdiction.	to make to any department or agency of the United

Additional Operator Remarks (see next page)

Electronic Submission #70297 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Vernal RECEIVED

AUG 2 0 2009

DIV. OF OIL, GAS & MINING

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

NOS: 02-23-2009

096-XJ29025



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

EOG Resources Inc

Location:

NESW, Sec. 34, T9S, R23E

Well No: API No:

CWU 4034-34 43-047-50445 Lease No: Agreement:

Chapita Wells Unit

UTU-37943

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist	Lori Ford	(435) 781-4406	
NRS/Enviro Scientist	David Gordon	(435) 781-4424	
NRS/Enviro Scientist	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist	Cheryl Laroque	(435)781-4476	
NRS/Enviro Scientist	Chuck Macdonald	435) 781-4441	(435) 828-7481
NRS/Enviro Scientist	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist	Holly Villa	(435) 781-4404	(435) 828-3544
		Fax: (435) 781-3420	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

	<u>NOTIFI</u>	CATION REQUIREMENTS
Location Construction	-	Forty-Eight (48) hours prior to construction of location and
(Notify Environmental Scientist)		access roads.
Location Completion	_	Prior to moving on the drilling rig.
(Notify Environmental Scientist)		
Spud Notice	-	Twenty-Four (24) hours prior to spudding the well.
(Notify Petroleum Engineer)		
Casing String & Cementing	-	Twenty-Four (24) hours prior to running casing and cementing
(Notify Supv. Petroleum Tech.)		all casing strings.
BOP & Related Equipment Tests	-	Twenty-Four (24) hours prior to initiating pressure tests.
(Notify Supv. Petroleum Tech.)		
First Production Notice	-	Within Five (5) business days after new well begins or
(Notify Petroleum Engineer)		production resumes after well has been off production for more
		than ninety (90) days.

Page 2 of 7 Well: CWU 4034-34 8/12/2009

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

- Prevent fill and stock piles from entering drainages.
- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.
- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches, or gravel (from a private or commercial source) etc. shall be needed to control the erosion. Low-water crossings and culverts shall be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Bury pipelines at all low water crossings.
- Surface pipelines will be placed 5-10 feet outside of the borrow area.
- Surface pipelines will be placed in such a way that they will not wander into the borrow area.
- Pipelines will be buried at all major road and drainage crossings.
- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.

Page 3 of 7 Well: CWU 4034-34 8/12/2009

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
 COA specification is consistent with operators performance standard stated in APD.
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.

 All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.
- A Gamma Ray well Log shall be run from the well Total Depth to the surface.
 A copy of the Gamma Ray well Log shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

Page 4 of 7 Well: CWU 4034-34 8/12/2009

- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 5 of 7 Well: CWU 4034-34 8/12/2009

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - o Well name and number.
 - o Well location (1/41/4, Sec., Twn, Rng, and P.M.).
 - O Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

Page 6 of 7 Well: CWU 4034-34 8/12/2009

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval of
 the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

Page 7 of 7 Well: CWU 4034-34 8/12/2009

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.